

Message Text

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ORIGIN EB-03

INFO OCT-01 SP-02 ISO-00 SS-14 SSO-00 ARA-06 /026 R

DRAFTED BY EB/IFD/OIA:DHSTEBBING:ME

APPROVED BY ARA/BC:RFIMBRES

ARA/ECP:SHROGERS

ARA/BC:RSPACE

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FM SECSTATE WASHDC

TO AMEMBASSY LA PAZ IMMEDIATE

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LIMDIS FOR AMBASSADOR

E.O. 11652: N/A

TAGS: EINV

SUBJECT: OPIC POLICY IN BOLIVIA

REFS: (A) STATE 36552; (B) LA PAZ 1349; (C) STATE A-7225
OF DECEMBER 2, 1975; (D) PACE-STEDMAN TELCON 2/25/76

1. OPIC HAS AGREED TO SEVERAL IMPROVEMENTS IN POLICY
STATEMENT CONTAINED IN REF A, IN LIGHT OF REF B. IF TEXT
THAT FOLLOWS MEETS WITH YOUR APPROVAL, WE WILL INFORM OPIC
THAT THE SEMINAR IN LA PAZ CAN PROCEED AS SCHEDULED.
PLEASE ADVISE TODAY IF POSSIBLE.

2. BEGIN TEXT: PURSUANT TO AMBASSADOR'S REQUEST AND ON
THE BASIS OF CONSULTATIONS WITH THE DEPARTMENT OF STATE,
OPIC HAS ADOPTED THE FOLLOWING POLICY GUIDELINES TOWARD
SENSITIVE INVESTMENT AREAS IN BOLIVIA AND UNDERSTANDS
THAT THESE MEET WITH EMBASSY LA PAZ'S APPROVAL ALSO:

-- OPIC RECOGNIZES THAT EXTRACTIVE PROJECTS AND PROJECTS

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INVOLVING FOREIGN OWNERSHIP OF LAND SUITABLE FOR AGRICUL-

TURE OR LIVESTOCK REPRESENT AREAS OF TRADITIONAL SENSITIVITY IN BOLIVIA. OPIC THEREFORE WILL NOT ACTIVELY PROMOTE PROJECTS IN THESE AREAS.

-- OPIC WILL NOT OFFER INSURANCE ON EQUITY INVESTMENTS IN

THESE AREAS UNLESS, UPON CONSULTATION WITH THE EMBASSY AND THE DEPARTMENT OF STATE, IT IS DETERMINED THAT A PARTICULAR PROJECT INVOLVES SIGNIFICANT REDEEMING ASPECTS WHICH OUTWEIGH THE POLITICAL RISK AND SENSITIVITIES INVOLVED AND CONTRIBUTE TO OPIC'S OBJECTIVE OF POSITIVE ECONOMIC AND SOCIAL DEVELOPMENT IMPACT OR ADVANCE OTHER FOREIGN POLICY INTERESTS. SIGNIFICANT INVESTMENT IN THE PROCESSING OF FARM AND MINING OUTPUT WILL COUNT HEAVILY IN FAVOR OF PROJECTS THAT INVOLVE, AS ONE ASPECT, INVESTMENT IN AGRICULTURE, LIVESTOCK, OR MINING VENTURES. ANOTHER IMPORTANT POSITIVE ELEMENT IN EXAMINING PROJECTS IN SENSITIVE AREAS, ONE ON WHICH THE EMBASSY'S ADVICE WILL BE SOUGHT AT AN EARLY STAGE, WILL BE THE POSSIBILITY OF RESTRUCTURING A PROJECT WITH OPIC'S ASSISTANCE TO INCREASE ITS DEVELOPMENTAL IMPACT OR MAKE IT LESS POLITICALLY SENSITIVE.

-- OPIC WILL BEAR FULL RESPONSIBILITY FOR REJECTION OF PROJECTS THAT DO NOT MEET THE ABOVE GUIDELINES.

-- OPIC WILL INFORM ALL INSURANCE APPLICANTS OF APPLICABLE PORTIONS OF THE ABOVE POLICY. CONDUCT OF THE SEMINAR SCHEDULED FOR MARCH 1976 WILL ALSO BE CONSISTENT WITH THESE GUIDELINES AND WILL SEEK TO STIMULATE INVESTMENT IN AGRIBUSINESS AND THE INTERMEDIATE STAGE OF INDUSTRIAL ACTIVITY. END TEXT.

3. THE ABOVE IS INTENDED AS AGREED POLICY AMONG EMBASSY, DEPARTMENT, AND OPIC, NOT AS PUBLIC STATEMENT. HOWEVER, OPIC UNDERSTANDS THAT AGREED POLICY MUST GUIDE CONDUCT OF SEMINAR IN EVERY ASPECT, INCLUDING INVITATIONS, OPIC BRIEFINGS, AND CONVERSATIONS WITH POTENTIAL INVESTORS AND BOLIVIAN BUSINESSMEN AND OFFICIALS.

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4. SINCE REF C STATES THAT OPIC WILL EXCLUDE INVESTMENTS IN PROJECTS WHICH EXPORT TO ANDEAN COMMON MARKET, THIS POINT IS NOT REPEATED IN THE ABOVE TEXT. KISSINGER

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